

MEMORANDUM #03, 2011

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
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MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: 2011 Limits under Chapter 46 of the Acts of 2002

DATE: January 10, 2011

Prior PERAC Memos (# 27/2002, # 45/2002, and #17/2003) briefly outlined Chapter 46 of the Acts of 2002. This law brought the Massachusetts Retirement Law into compliance with Federal Limitations on the compensation used to calculate retirement allowances and the dollar amounts of retirement allowances. This provision affects only the highest paid employees and will not apply to most retirement systems and most retirement system members.

The regulations regarding Section 401(a)(17) (compensation limit) and Section 415 (benefit limit) of the Internal Revenue Code are quite complex and can vary under individual circumstances. The compensation limit for 2011 is generally \$245,000 (\$360,000 if a current member became a member prior to 12/31/95). The general benefit limit for 2011 is \$195,000 per year for a member retiring at age 65 although this limit is generally reduced for retirement prior to age 62. These limitations are indexed each year.

Please note that the limits are the same as 2010.

Please contact our Actuary, Jim Lamenzo, if you have any questions.